

**IC 20-46-7****Chapter 7. Debt Service Levy****IC 20-46-7-1****"Fund"**

Sec. 1. As used in this chapter, "fund" refers to the debt service fund.

*As added by P.L.2-2006, SEC.169.*

**IC 20-46-7-2****"Levy"**

Sec. 2. As used in this chapter, "levy" refers to a levy imposed under this chapter.

*As added by P.L.2-2006, SEC.169.*

**IC 20-46-7-3****"Obligation"**

Sec. 3. As used in this chapter, "obligation" refers to any obligation that is permitted or required by law to be paid from the fund under IC 20-40-9 or another law.

*As added by P.L.2-2006, SEC.169.*

**IC 20-46-7-4****Duty; levy**

Sec. 4. The governing body of each school corporation shall establish a levy in every calendar year sufficient to pay all obligations.

*As added by P.L.2-2006, SEC.169.*

**IC 20-46-7-5****Conditions; levy in excess of advertised levy**

Sec. 5. If the advertised levy is insufficient to produce revenue to meet all obligations for any calendar year, the department of local government finance may establish a levy greater than advertised if necessary to meet the school corporation's obligations.

*As added by P.L.2-2006, SEC.169.*

**IC 20-46-7-6****Levy; advance from state**

Sec. 6. An amount equal to deductions made or to be made in the current year for the payment of principal and interest on an advancement from any state fund (including the common school fund and the veterans memorial school construction fund) may be included in a levy and appropriated and paid to the general fund.

*As added by P.L.2-2006, SEC.169.*

**IC 20-46-7-7****Levy; advance; common school fund**

Sec. 7. A school corporation receiving an advancement:

- (1) under IC 20-49-2 may annually levy a tax for the fund as

provided in IC 20-49-2-16;

(2) for a school building construction program may annually levy a tax for the fund as provided in IC 20-49-4-21; or

(3) for an educational technology program may annually levy a tax for the fund as provided in IC 20-49-4-22.

*As added by P.L.2-2006, SEC.169.*

#### **IC 20-46-7-8**

##### **Department of local government finance approval of school corporation indebtedness; exemption for school bus purchases or leases from the Indiana bond bank**

Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to:

(1) incur bond indebtedness;

(2) enter into a lease rental agreement; or

(3) repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5;

not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

(b) A school corporation must obtain approval from the department of local government finance before the school corporation may:

(1) incur the indebtedness;

(2) enter into the lease agreement; or

(3) repay the school bus purchase loan.

(c) This restriction does not apply to property taxes that a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974. In addition, this restriction does not apply to a lease agreement or a purchase agreement entered into between a school corporation and the Indiana bond bank for the lease or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement conforms with the school corporation's ten (10) year school bus replacement plan approved by the department of local government finance under IC 21-2-11.5-3.1.

(d) This section does not apply to school bus purchase loans made by a school corporation that will be repaid solely from the general fund of the school corporation.

*As added by P.L.2-2006, SEC.169. Amended by P.L.192-2006, SEC.11.*

#### **IC 20-46-7-9**

##### **Review by department of local government finance**

Sec. 9. (a) This section applies only to an obligation described in section 8 of this chapter.

(b) The department of local government finance may:

(1) approve;

(2) disapprove; or

(3) modify then approve;  
a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan. Before the department of local government finance approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date the department of local government finance receives a request for approval under section 8 of this chapter. However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department of local government finance sends notice of the extension to the executive officer of the school corporation.

*As added by P.L.2-2006, SEC.169.*

#### **IC 20-46-7-10**

##### **Approval; required study of classroom space**

Sec. 10. (a) This section applies only to an obligation described in section 8 of this chapter.

(b) The department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

- (1) establishes that additional classroom space is necessary; and
- (2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-30-2-7)) rather than expanding classroom space.

(c) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department of local government finance enters its order under this section.

*As added by P.L.2-2006, SEC.169.*

#### **IC 20-46-7-11**

##### **Approval; factors considered**

Sec. 11. The department of local government finance in determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project shall consider the following factors:

- (1) The current and proposed square footage of school building space per student.
- (2) Enrollment patterns within the school corporation.
- (3) The age and condition of the current school facilities.
- (4) The cost per square foot of the school building construction

project.

(5) The effect that completion of the school building construction project would have on the school corporation's tax rate.

(6) Any other pertinent matter.

*As added by P.L.2-2006, SEC.169.*

#### **IC 20-46-7-12**

##### **Approval; maximum term of bonds**

Sec. 12. The department of local government finance in determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project may not approve or recommend the approval of a project that is financed through the issuance of bonds if the bonds mature more than twenty-five (25) years after the date of the issuance of the bonds.

*As added by P.L.2-2006, SEC.169.*

#### **IC 20-46-7-13**

##### **Annual review**

Sec. 13. The department of local government finance shall annually conduct the review of debt service obligations (as defined in IC 20-48-1-11) required in IC 20-48-1-11.

*As added by P.L.2-2006, SEC.169.*